

## MICROCAPITAL BRIEFS | TOP STORIES

### Incofin Funds Take Stakes in Peru's EDPYME Solidaridad, ProEmpresa

Please see page 3 for coverage of this "MicroCapital Deal of the Month."

### Zimbabwe Drafts Microfinance Bill After 2 MFIs Shut Down

As some microloan interest rates in Zimbabwe have reached 10 percent per month, the government reportedly is drafting a law to require microfinance institutions (MFIs) to post interest rates and fees and to submit financial data to regulators each year. The bill also would disallow the distribution of shareholder dividends unless the MFI, "has made adequate provision against losses on loans" and has complied with other provisions of the law. MFIs in Zimbabwe, which are currently governed by the Banking Act, can be launched with capital of USD 5,000. To qualify to accept deposits, however, MFIs must hold USD 5 million. Earlier this year, MFIs McDowells International and All Angels Investments reportedly lost their licenses for accepting deposits without authorization. September 13, 2012

### Bad Microdebt in Nigeria Grows to \$100m

Over the past year, write-offs in the Nigerian microfinance sector have risen from the equivalent of USD 70 million to USD 100 million. Chairman Olufemi Babajide of the National Association of Microfinance Banks, South West Zone, reportedly has proposed that the Central Bank of Nigeria help the industry establish a special-purpose corporation to buy bad debt that the industry can pay off over time, as has been done for commercial banks in the country. Referring to pressing customers to repay via a proposed microdebtors' court, which was covered in the June issue of this newspaper, Mr Babajide was quoted as saying, "If there is a special court, they will pay up." September 13, 2012

### ADB Guarantees \$27m in Loans from Ratnakar to Indian MFIs

The Manila-based Asian Development Bank and IFMR (Institute for Financial Management and Research) Capital, an affiliate of Indian nonprofit IFMR, reportedly are providing partial credit guarantees to support lending by Ratnakar Bank Limited, a commercial Indian bank, to microfinance institutions in India. The first round of the effort is slated to support the equivalent of USD 26.9 million in microloans disbursed to 125,000 households. IFMR Capital also will provide structuring, arranging and monitoring services as part of the deal. August 29, 2012

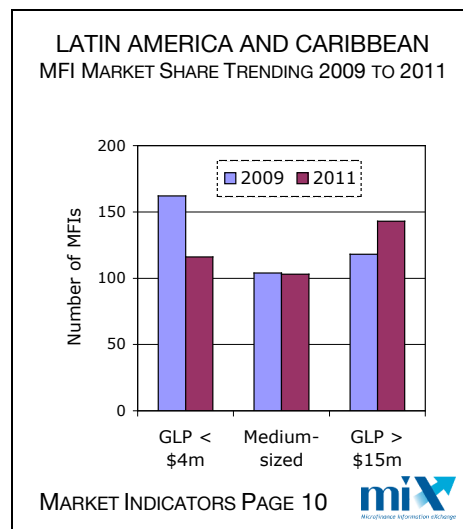
### ResponsAbility Loans \$10m to Peru's Mibanco, Kenya's Rafiki

ResponsAbility Social Investments of Switzerland has agreed to loan the local-currency equivalent of USD 7.5 million to Mibanco, a Peruvian bank that serves micro- and small enterprises. Mibanco reports total assets of USD 1.75 billion, a gross loan portfolio of USD 1.41 billion, deposits of USD 1.27 billion, return on assets of 1.23 percent and return on equity of 14.4 percent. ResponsAbility also loaned a total of USD 2.5 million to Kenya's Rafiki Deposit Taking Microfinance, a subsidiary of Kenya's Chase Bank, a private bank with 19 branches. Financial details are not available on Rafiki, which aims to grow its network from two branches to nine during 2012. August 27, 2012

### EBRD Loans \$10m to AccessBank of Azerbaijan

The London-based European Bank for Reconstruction and Development recently agreed to disburse a five-year loan of USD 10 million to Azerbaijan's AccessBank, one of six microfinance institutions affiliated with Germany's AccessHolding. AccessBank will use the loan to widen its funding base, increase credit to small businesses and expand its lending to micro-, small and medium-sized enterprises outside of the city of Baku. AccessBank reports total assets of USD 488 million, a gross loan portfolio of USD 378 million, 120,000 borrowers, return on assets of 4.4 percent and return on equity of 20 percent. August 9, 2012

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## MICROCAPITAL BRIEFS

### MicroCapital to Cover European Microfinance Week Onsite

We at MicroCapital are pleased to announce that we have been contracted to provide onsite reporting from Microfinance Week 2012, a production of the 130-member European Microfinance Platform. The event will be held in Luxembourg from November 14 through November 16, with multiple postings to be published each day at <http://microcapital.org> and on Twitter @MicroCapital. For more details, you may refer to the ad on page 4 of this newspaper and <http://e-mfp.eu>. September 13, 2012

### Incofin Funds Take Stakes in Fides of Namibia, ACEP-Burkina

Incofin Investment Management of Belgium has disbursed an investment of undisclosed size in Fides Bank Namibia through Volksvermogen, a microfinance investment vehicle funded by the Belgian holding company of the same name. Volksvermogen now holds a 12.6-percent equity stake in Fides, which reports approximately 10,000 borrowers in northern Namibia. The bank is looking to expand geographically while growing its automated teller machine network and adding insurance and mobile banking products to its lineup. Incofin CVSO, an investment fund focused on small and medium-sized microfinance institutions, recently placed its first investment in Burkina Faso, taking a 20-percent share in Agence de Credit pour l'Entreprise Privee (ACEP)-Burkina, whose shareholders include the following French organizations: Investisseur et Partenaire Afrique Entrepreneurs, Credit Cooperatif and Societe Generale through its local arm, Societe Generale des Banques du Burkina. September 13, 2012

### Econet Lesotho Launches Mobile Money Service

Econet Telecom Lesotho (ETL), a provider of telephone services and Internet access, recently launched Spache-fono (Eco-cash), a product that allows customers to use their mobile phones to send and receive money for purposes such as paying bills, making retail purchases, collecting salary and sending cash to customers of multiple mobile service providers. Spache-fono does not require a bank account, as funds can be withdrawn or uploaded at 15 ETL locations and 46 Post Bank stations. The fee to send money is equivalent to USD 0.60, and the daily transfer limit is USD 60. The government of Lesotho owns a 30-percent stake in ETL, whose parent, Econet Wireless, has operations in Africa, South America and Eurasia. September 13, 2012

### India's MFIN Seeks Equal Margin Caps for Small, Large MFIs

India's 46-member Microfinance Institutions Network, reportedly will ask the Reserve Bank of India (RBI) to return the margin cap on individual loans issued by large microlenders to 12 percent per year. RBI recently lowered the cap to 10 percent only for microlenders with portfolios over the equivalent of USD 18 million. The interest rate cap on individual microloans remains fixed at 26 percent per year. September 13, 2012

### Bangladesh to Allow Agent Banking

Bangladesh Bank Governor Dr Atiur Rahman reportedly has announced that the central bank will soon allow agent banking. The move is intended to build on the mobile banking services now offered by eight banks in Bangladesh. Under the new rules, individuals would be authorized to function as agents, offering services such as deposits, withdrawals, bill payment and remittances at customers' doorsteps. September 13, 2012

### ProCredit Sounds Alarm on Multiple Lending in Ghana

Managing Director Sarah Tsien Zetterli of ProCredit Ghana, a development-oriented financial institution, reportedly has argued that the microfinance market in Ghana has become overcrowded and would benefit from tighter entry requirements for microfinance institutions. Mrs Zetterli was quoted as having said, "Customers are taking multiple loans from these institutions and are unable to pay, and the last thing we want is to see small and medium-sized enterprises (SMEs) indebted." One of 21 banks held by ProCredit Holding of Germany, ProCredit Ghana reports a gross loan portfolio of USD 34 million and deposits of USD 44 million. September 13, 2012

### Fonkoze Borrowers Receive Payout for Storm Damage from Isaac

The Microinsurance Catastrophe Risk Organisation (MiCRO), a reinsurance company based in Barbados, is in the process of making a payout to Haitian microbank Fonkoze, to be forwarded to its clients that lost their homes or inventories to Tropical Storm Isaac, which struck Haiti in August. Fonkoze is to pay the local-currency equivalent of USD 125 to the insured, who will also have their outstanding loan balances cancelled. In 2011, MiCRO provided Fonkoze with USD 1.64 million in payouts that benefited approximately 6,700 Haitian women. As of 2010, Fonkoze reported total assets equivalent to USD 34 million, a gross loan portfolio of USD 11 million, 50,500 borrowers and 234,000 depositors. September 12, 2012

### IFC Backs Indian Collateral Database CERSAI

The International Finance Corporation (IFC), the private-investment arm of the World Bank Group, is supporting the Indian government's Central Registry of Securitisation Asset Reconstruction and Security Interest (CERSAI) in the development of its database of collateral used to secure loans. CERSAI was established in 2011 as an electronic mortgage registry intended to prevent multiple borrowings against the same immovable assets. Among other topics, IFC is advising CERSAI on the expansion of the service to include movable assets. September 12, 2012

### Parinaam of India to Boost Financial Literacy of Ujjivan Clients

Citi Foundation, an arm of the US-based financial provider Citigroup, reportedly has donated the equivalent of USD 180,000 to India's Parinaam Foundation to deliver the Diksha Financial Literacy Program to 31,000 microfinance clients of Indian microlender Ujjivan Financial Services beginning in November. The program aims to help low-income women in 14 Indian states with financial decisions such as opening bank accounts. September 12, 2012

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**MicroCapital Monitor** - © 2012 MicroCapital - ISSN 1935-505X  
The MicroCapital Monitor is published monthly by MicroCapital

Editor Bob Summers

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Please refer to <http://MicroCapital.org> for information sources for all briefs. MicroCapital recognizes the individuals at CGAP, the Microfinance Gateway and the Microfinance Information Exchange for their outstanding work disseminating information on microfinance. Thank you!

### Angola's Banco de Negocios Internacional Offers FacilCred

Banco de Negocios Internacional (BNI), an Angolan bank, reportedly has launched the Sociedade de Micro-credito, a microcredit society, in the Angolan capital, Luanda. The society, also called FacilCred, has four microloan products: (1) FacilSolidario offers commercial loans as small as the local-currency equivalent of USD 105 to groups of six to 10 people with terms ranging from two weeks to six months; (2) FacilEmpreendedor provides loans starting at USD 525 to small businesses with periods of three to 12 months; (3) FacilEstudante offers student loans from USD 262 with terms of one to 12 months; and (4) FacilSupermercado offers one-month consumption loans as small as USD 262. Each product has a maximum loan amount of USD 10,500. BNI reports total assets of USD 11 billion. September 11, 2012

### BPC Releases Mobile Product "SmartVista for Microfinance"

Banking Production Centre (BPC) Banking Technologies, a Russian mobile technology provider, has released SmartVista for Microfinance, an electronic payment solution designed for microfinance institutions. Based on SmartVista, a preexisting e-payment solution, the new service supports both individual and solidarity lending models as well as various repayment options. BPC has clients in 26 countries. September 7, 2012

### Lok Buys into India's Ujjivan as Bellwether, Dell Sell Stakes

India's Bellwether Microfinance Fund recently sold its 7-percent stake in Ujjivan, an Indian microlender, to Lok Capital, a Mauritius-based microfinance investment vehicle, doubling Lok's stake in Ujjivan. Bellwether reportedly recorded a profit of 24 percent on the investment, which it had held since 2005. The US-based Michael and Susan Dell Foundation is also expected to sell its 6-percent stake in Ujjivan to an undisclosed social investor. In addition, the World Bank Group's International Finance Corporation (IFC) is expected to make an equity investment equivalent to USD 8 million in Ujjivan. The size of the stake IFC would acquire for that amount and the pricing of the other transactions have not been released. Ujjivan reports total assets of USD 146 million, a gross loan portfolio of USD 126 million, return on assets of 0.24 percent, return on equity of 1.06 percent and 855,000 active borrowers. September 6, 2012

### Filipino Smart Partners with Mobile Money, Insurance Providers

Smart Communications, a wireless service provider in the Philippines, reportedly has partnered with mHIT, an Australian mobile payment service, to facilitate mobile money transfers between the two countries. MHIT's "mobile wallet" service will now include Smart Money, a service of Smart Communications, allowing mHIT clients to send money via short message service (text messaging) to 50 million Smart Communications subscribers in the Philippines. Recipients can access funds without a bank account by spending it directly from their mobile wallets, via Smart Money service centers or at automated teller machines. Smart Communications reportedly also has partnered with the Philippines' Beneficial Life Insurance to offer a mobile microinsurance service called Insuretxt. The service covers accidents and loss of life in amounts ranging from the equivalent of USD 238 to USD 1,190 for monthly premiums of USD 0.07 to USD 0.21, which can be paid via text message. September 5, 2012

### BlueOrchard Appointed Manager of MIFA Debt Fund

BlueOrchard Finance, a Switzerland-based microfinance intermediary, recently was appointed fund manager for the Microfinance Initiative for Asia (MIFA) Debt Fund. MIFA Debt is one element of MIFA, which was launched by the World Bank's International Finance Corporation and German development bank KfW Bankengruppe with the aim of investing USD 1 billion in institutional capacity for the delivery of microfinance services and linkages among domestic and international capital markets. MIFA Debt plans to invest approximately USD 100 million over the next three to five years. September 3, 2012

## MicroCapital Deal of the Month

### Funds Managed by Incofin Acquire Equity in Peruvian Microlenders EDPYME Solidaridad, ProEmpresa

For an undisclosed sum, the Rural Impulse Fund II, which is managed by Belgium's Incofin Investment Management, has acquired an 8.2-percent equity stake in Peru's EDPYME (Entidad de Desarrollo para la Pequeña y Microempresa) Solidaridad, a non-bank financial institution. Solidaridad is held by Caritas del Peru, which is affiliated with the Catholic Church. In addition to supporting village banking, Solidaridad reports serving 23,000 clients with a total outstanding portfolio of USD 35 million disbursed as individual and group loans. Volksvermogen, a microfinance investment vehicle that is funded by the Belgian holding company of the same name, recently raised its stake in ProEmpresa, a Peruvian microlender, from an undisclosed level to 10 percent for an undisclosed price. ProEmpresa reports total assets of USD 79 million, a gross loan portfolio of USD 57 million and 39,000 borrowers. A representative of Volksvermogen, which is also managed by Incofin, will take a seat on the board of directors of ProEmpresa.

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### ResponsAbility Invests \$1.5m in MBK Ventura of Indonesia

Microfinance investment vehicles managed by Switzerland's ResponsAbility Social Investments recently loaned the local-currency equivalent of USD 1.5 million to Mitra Bisnis Keluarga (MBK) Ventura of Indonesia and USD 100,000 to Bank Eskhata of Tajikistan. MBK Ventura reports total assets of USD 39 million, a gross loan portfolio of USD 34 million, return on assets of 1.89 percent, return on equity of 11.8 percent and 322,000 clients. Bank Eskhata reports total assets of USD 78 million and 9,500 active borrowers. September 2, 2012

### Rural Impulse Takes Equity Stake in Azercredit of Azerbaijan

Rural Impulse Fund II, a microfinance investment vehicle (MIV) managed by Belgium's Incofin Investment Management, recently placed an equity investment of undisclosed size in Azercredit, an Azerbaijani microfinance institution. The investment is paired with a loan of USD 1 million from Incofin CVSO, another MIV managed by Incofin. Azercredit reports total assets of USD 46 million, a gross loan portfolio of USD 41 million and 47,000 active borrowers. A representative of the Rural Impulse Fund will take a seat on the board of directors of Azercredit. September 1, 2012

### Grameen Credit Agricole Loans \$1.2m in Azerbaijan, Indonesia

The Grameen Credit Agricole Microfinance Foundation, which was founded by French bank Credit Agricole and Grameen Trust of Bangladesh, has loaned the local-currency equivalent of USD 625,000 to Azerbaijani microbank Viator, with a three-year term and a one-year grace period, and USD 606,000 to Koperasi Mitra Dhuafa (KOMIDA) of Indonesia, with a maturity date of March 2014. Viator reports a gross loan portfolio of USD 10 million and 16,000 borrowers. KOMIDA, which was established with the support of the US-based Grameen Foundation, reaches 85,500 female borrowers with a gross loan portfolio of USD 7.6 million. August 31, 2012



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### Sanabel Offers Data on Arab MFIs at Shafafeya.info

Sanabel, an Egypt-based nonprofit dedicated to advancing Arab microfinance, recently launched a website, <http://shafafeya.info>, that offers financial data and analysis of the microfinance sector in the region. Shafafeya includes approximately 100 indicators of the performance of microfinance institutions in 10 countries during 2009 and 2010. Sanabel currently has 89 member institutions serving 2.8 million clients in 13 countries. August 29, 2012

### ResponsAbility Loans \$1.7m to Russian MFI Forus Bank

Funds managed by Switzerland's ResponsAbility Social Investments recently loaned the equivalent of USD 1.7 million to Russian microfinance institution Forus Bank. The ResponsAbility Global Microfinance Fund (rAGMF) loaned Forus the local-currency equivalent of USD 765,000, and rAGMF and ResponsAbility SICAV Mikrofinanz-Fonds each loaned Forus USD 500,000 in hard currency. Forus reports total assets of USD 64 million, a gross loan portfolio of USD 53 million, 11,400 active borrowers, return on assets of 4.21 percent and return on equity of 49.9 percent. As of September 2011, ResponsAbility reported assets under management of USD 1 billion. August 29, 2012

### BANCOBU, Burundi Telecommunications Launch Mobile Banking

The privately owned Burundi Commercial Bank (BANCOBU in French) and the state-owned Burundi Telecommunications Company have launched Mobicash, a service that allows customers to transfer funds, withdraw money and pay bills through mobile phones. Mobicash will compete with Eco-cash, which is operated by the Burundian Post Office and the Burundian arm of Econet Wireless. While 28 percent of Burundians own a mobile device, roughly 4 percent use formal financial services. Prosper Nyankiye, an official at BANCOBU, reportedly predicted that, "With the launch of Mobicash, the rate of access to financial services will increase up to 10 times in a very short time." BANCOBU holds assets equivalent to USD 92 million, and Burundi Telecommunications has 2.1 million customers. August 28, 2012

### IDB Offers \$10m to Ecuador for Financial Inclusion

The Inter-American Development Bank (IDB), a US-based multilateral financial institution, has offered the Central Bank of Ecuador USD 10 million with the aim of supporting the National Payments System, which seeks to expand financial services to low-income households in rural Ecuador. The funding is characterized as a loan with a 12.6-year grace period. An unspecified amount of grant funds will also support the effort to bring 200,000 people into the system to generate 2.8 million payments, transfers and savings transactions. August 27, 2012

### Grameen Credit Agricole Invests \$2m in Senegal, Cambodia

Grameen Credit Agricole Microfinance Foundation, a Luxembourg-based supporter of microfinance institutions (MFIs) and other social businesses, has agreed to loan the local-currency equivalent of USD 1.3 million to Senegalese MFI Cooperative Autonome pour le Renforcement des Initiatives Economiques par la Micro Finance (CAURIE) with a three-year term and one-year grace period. Grameen Credit Agricole has also issued a loan equivalent to USD 961,000 with the same repayment schedule to microbank Thaneakea Phum Cambodia (TPC). CAURIE reports total assets of USD 10 million, a gross loan portfolio of USD 8.2 million, deposits of USD 4.1 million, return on assets (ROA) of -5.89 percent and return on equity (ROE) of -25.6 percent. TPC reports total assets of USD 46 million, a gross loan portfolio of USD 33 million, ROA of 3.73 percent, ROE of 20.3 percent and 96,500 borrowers. August 27, 2012

### Data Bureau, IFC Launch Tongan Credit Bureau

Data Bureau Limited, a Fijian-owned credit information company, and the International Finance Corporation (IFC), a member of the World Bank Group that supports private-sector development, recently set up a credit bureau in Tonga. IFC helped train staff from Australia and New Zealand Banking Group, Westpac Bank of Australia, Tonga Development Bank and MBf Bank of Tonga in accessing the credit database. August 25, 2012

### Ecobank Launches Savings Campaign in Uganda

Ecobank, which is based in Togo and has operations in 29 African countries, has launched a campaign to promote savings in Uganda. The campaign is called Olikyabbeeyi Kyaffe Ku, which may be translated as, "You are so special and precious." The program includes lotteries from which customers can win prizes such as cars and airline tickets. Incorporated in 1985, Ecobank has a network of approximately 700 branches and reports total assets of USD 17.2 billion, return on equity of 15.9 percent and return on assets of 1.5 percent. August 25, 2012

### BIO Announces New CEO

The Belgian Investment Company for Developing Countries (BIO in Dutch), a public-private partnership established by the Belgian government, has announced the appointment of Luuk Zonneveld as its new CEO. Mr Zonneveld previously led the Belgian nonprofit Vredeseilanden, which assists in the development of sustainable agricultural value chains. BIO uses its assets, which are equivalent to USD 600 million, to support microfinance institutions and small and medium-sized enterprises in developing countries. August 21, 2012

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### Thai Banks May Refinance Microloans via Mobile Banking

Thailand's Ministry of Finance reportedly is considering the use of mobile banking in an effort to reduce over-indebtedness, which persists despite attempts "to seek support from and convince unofficial money lenders to relieve debts." According to a quote attributed to Deputy Finance Minister Viroon Tejapaibul, "Loans will be given by the government banks directly to citizens without the involvement of private banking institutions or local creditors," allowing citizens to refinance informal debts of up to "a few thousand dollars." August 20, 2012

### First Bank of Nigeria Introduces Cardless ATM

First Bank of Nigeria, a publicly listed commercial bank, recently introduced a cardless service that allows for the transfer of funds to people without bank accounts via automated teller machines. First Bank Group reports total assets equivalent to USD 19 billion. August 17, 2012

### IFC Loans \$7m to Enda Inter-Arabe of Tunisia

The International Finance Corporation (IFC), the private-investment arm of the World Bank Group, recently loaned the local-currency equivalent of USD 7 million to Tunisian microfinance institution Enda Inter-Arabe. The loan is intended to help the microlender double in size to reach 400,000 clients and attain a loan portfolio of USD 140 million by 2015. IFC will also train Enda Inter-Arabe staff in corporate governance and risk management. Enda Inter-Arabe reports total assets of USD 78 million. August 16, 2012

### Unilever: Corporate Distribution Networks Can Increase Inclusion

Hindustan Unilever (HUL), the Indian unit of European consumer-goods firm Unilever, reportedly has endorsed increasing financial inclusion by using the infrastructure of corporations such as Unilever that "have a wider distribution network than any government agency.... [O]ur products reach almost every village in the country." HUL reported 2011 sales equivalent to USD 57 billion. August 14, 2012

### Grameen Ordinance Seen as Power Grab

The Bangladeshi cabinet reportedly has approved an amendment to the ordinance regulating microfinance institution Grameen Bank that allows the bank's chairman, Muzammel Huq, to nominate a pool of three candidates from which a managing director of the bank will be chosen. Dr Muhammad Yunus reportedly expressed shock at the decision as well as apprehension over what he sees as the government asserting undue control of the bank. The cabinet has also asked Bangladesh's National Board of Revenue to submit information regarding the salary received and taxes paid by Dr Yunus, the bank's founder, who was forced to resign as managing director in 2011. At the time, some observers described the forced resignation as politically motivated. In related news, Grameen reportedly has refuted Bangladeshi Prime Minister Sheikh Hasina's claim that the bank charges between 30 and 45 percent interest on microloans. The nation's Microcredit Regulatory Authority limits interest on microloans to 27 percent per year. As of June, Grameen reports a gross loan portfolio of USD 976 million, 4.1 million active borrowers and deposits of USD 1.4 billion. The number of depositors for the period has not been released. August 13, 2012

### Nigerian Fund Looks to Increase Women's Access 15% Annually

The microfinance development fund long planned by the Central Bank of Nigeria (CBN) reportedly has been structured with the aim of generating a 15-percent annual increase in women's access to financial services. CBN Governor Sanusi Lamido Sanusi reportedly confirmed the recent approval of the establishment of the Micro-, Small- and Medium Enterprises Development Fund (MSMEDF), 60 percent of which is committed to address the extension of financial services to women. MSMEDF will be accompanied by unspecified regulatory provisions deemed favorable to lending to women and will also provide grants to programs supporting financial literacy and entrepreneurship skills for women. The target size of MSMEDF is equivalent to USD 338 million. August 12, 2012

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## FIELD NOTES


### Friends with Benefits: On Microfinance Networks

Last week in Panama, I kicked off the microfinance conference season by participating in Microfinance: Growing with Inclusion, a bi-annual production of Red Centroamericana y del Caribe de Microfinanzas (REDCAMIF). It was a great event with more than 700 participants from Central America - and beyond - sharing three days of discussions, networking and, of course, music and dance. Playing a leadership role in microfinance in Central America is tough. REDCAMIF's microfinance institutions seem to have little in common. Some are large, others tiny. Some lend to indigenous women in rural Guatemala, others to urban men in Panama's bustling capital. But they are brought together by a need to plug into the resources, trends and innovations of the broader industry. This is where REDCAMIF adds value.

In Panama, I sat down with the new director of the Small Enterprise Education and Promotion (SEEP) Network, Sharon D'Onofrio, to discuss some of the challenges and opportunities in strengthening microfinance networks like SEEP. The opportunities are many. For example, networks can promote transparency and information sharing, thus reducing reputational risk, minimizing risks for clients and ultimately boosting the health and longevity of the industry. They are also key in helping donors and investors follow industry trends. They can fundraise on behalf of multiple small organizations from a region, cutting donor's project costs. Events such as REDCAMIF's foster a spirit of collaboration and friendship that strengthens institutional ties. Additionally, in the aftermath of the global economic crisis, international networks or "holdings" of microfinance institutions such as Accion, FINCA, Opportunity International and Pro Mujer fared relatively well as a result of their capital, clout and know-how. I was in Mexico last month where some investors are strongly concerned about various risks in the sector, but are willing to make bets on institutions with international backers.

There are many challenges for networks as well. Most of these are related to their business models. It is hard to raise donor funding for network overhead, yet many networks need just that. New ones need to grow and increase capacity. Older players may struggle to stay relevant to their members. Membership fees don't drive revenues, and events offer an appreciated but limited contribution to overhead. To help generate revenue, many networks have side businesses such as managing investment funds, credit bureaux or technical assistance centers. Finding the right balance between commercial efforts and donations to drive socially led projects is tough. Representing the diverse needs of members is also difficult, but, again, REDCAMIF is making strides.

When I began collaborating with REDCAMIF about five years ago, I appreciated the close-knit friendships among board members, but I also criticized the "boys' club" atmosphere. Few women had penetrated this club, though over 60 percent of microfinance clients in the region were women. This week, I was excited to watch the installation of the first woman to serve as President of REDCAMIF's board of directors. Panama's Jacoba Rodriguez stood in front of hundreds of constituents with her daughters and granddaughter, backed by a board whose majority is now female. She declared her commitment as a woman, Panamanian and industry member to push forward REDCAMIF's agenda. As her voice shook with emotion, I was overtaken by a great sense of pride in this group of friends and colleagues, who I will never call a boys' club again.

*About the Author: Ms Barbara Magnoni is President of EA Consultants, a development consulting firm based in New York. She has 15 years of international finance and development experience and has worked with organizations including Goldman Sachs, Chase and BBVA and has advised institutions such as the International Finance Corporation, the US Agency for International Development and the International Labour Organization. She may be reached at +1 212 734 6461 or [bmagnoni\[at\]eac-global.com](mailto:bmagnoni[at]eac-global.com), or you may follow her on Twitter at [BarbaraatEA](#). *



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## MICROCAPITAL MARKET INDICATORS

### LATIN AMERICA AND THE CARIBBEAN

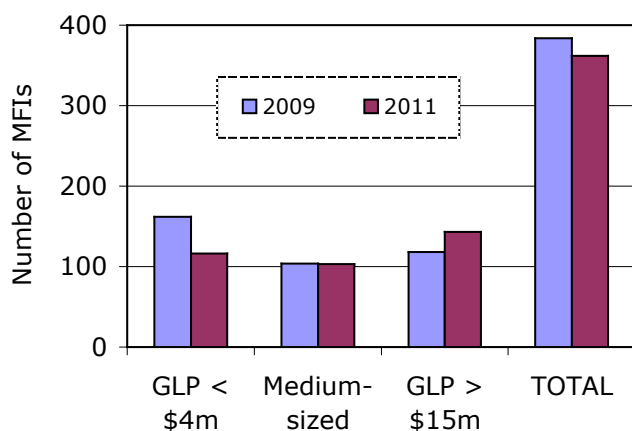
348 MICROFINANCE INSTITUTIONS (MFIs) FROM 21 COUNTRIES REPORTING DATA

#### TOP TEN MFIs BY GROWTH IN GROSS LOAN PORTFOLIO: CHANGE IN USD

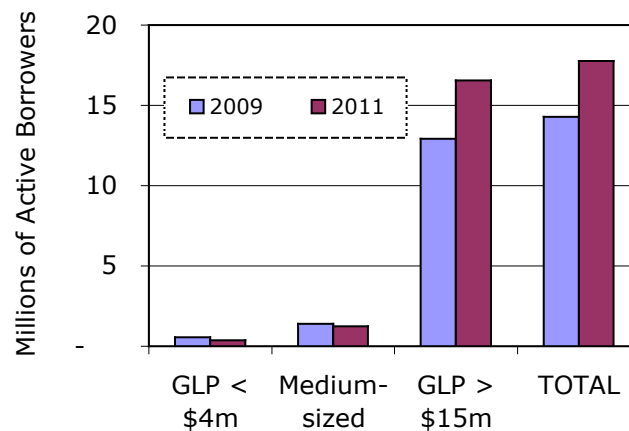
MFI NAME	COUNTRY	AVERAGE ANNUAL USD INCREASE	AVERAGE ANNUAL % INCREASE	2009	2011
Crediscotia	Peru	276,926,645	38	621,494,118	1,175,347,407
Mibanco	Peru	255,056,032	22	1,040,560,900	1,550,672,963
Banco Caja Social	Colombia	228,495,445	9	2,507,706,737	2,964,697,626
BancoEstado	Chile	167,049,534	12	1,270,387,230	1,604,486,297
CMAC Arequipa	Peru	164,101,167	33	420,473,593	748,675,926
CrediAmigo	Brazil	156,337,320	43	302,853,100	615,527,739
Banco FIE	Bolivia	134,382,767	36	313,539,640	582,305,173
Compartamos Banco	Mexico	131,255,743	21	577,488,515	840,000,000
Financiera Edyficar	Peru	128,138,695	42	249,768,166	506,045,556
Vision Banco	Paraguay	122,221,546	44	228,597,042	473,040,134

Note: The above data includes all 348 institutions reporting gross loan portfolio data to MIX Market for both 2009 and 2011.

**PERCENT OF MFIs IN MARKET  
BY SIZE OF GROSS LOAN PORTFOLIO (GLP)**



**MARKET SHARE (NUMBER OF ACTIVE BORROWERS)  
BY SIZE OF GROSS LOAN PORTFOLIO**



Note: The above data includes only institutions reporting both gross loan portfolio data and borrower numbers to MIX Market for 2009, 2011 or both.

Source: Microfinance Information Exchange (MIX), September 2012.



## UPCOMING EVENTS

### Investment and Innovation in Microfinance: Africa

September 18 - September 20, 2012, Accra, Ghana

This event includes an awards program and coverage of investment opportunities, risk management, regulation and managing data. The standard pricing is USD 1,999 with add-on workshops available. A range of discounts is available including a **15-percent discount for MicroCapital readers indicating the priority code "MicroCapital."** For more information, you may visit

<http://microfinance-africa.com>, email [info\[at\]hansonwade.com](mailto:info[at]hansonwade.com) or phone +44 203 141 8700.

### Fifth Convergences 2015 Forum

September 19 - September 21, 2012, Paris, France

This event will gather an estimated 3,000 attendees to consider solutions to poverty in Europe and worldwide. Topics will include social entrepreneurship, microfinance and others. Pricing ranges from EUR 25 to EUR 400 depending on employer category. More details may be had via <http://www.convergences2015.org/>, +33 (0) 142 657 884 or [forum\[at\]convergences2015.org](mailto:forum[at]convergences2015.org).

### Foromic: Unlocking Entrepreneurship

October 1 - October 3, 2012, Bridgetown, Barbados

Sponsored by the Multilateral Investment Fund, this major event on microenterprise development in Latin America and the Caribbean costs USD 600 to attend. More details are available from Karen Millington-Phillips at +1246 467 8274 or via [registration\[at\]bcsbbarbados.com](mailto:registration[at]bcsbbarbados.com) or <http://www.foromic.org>.

### European Alternative & Institutional Investing Summit

October 1 - October 3, 2012, Monte Carlo, Monaco

The standard fee to attend this event, which will cover a range of topics including investing in emerging markets and socially responsible investing, is USD 2,995, with discounts available for fund managers and venture capitalists. There is no fee for representatives of family offices and plan sponsors. More details are available via [info\[at\]opalgroup.net](mailto:info[at]opalgroup.net), +1 212 532 9898 or <http://www.opalgroup.net/trk/caisb1206.html>.

### SRI Conference on Sustainable, Responsible, Impact Investing

October 2 - October 4, 2012, Uncasville, Connecticut, USA

This conference offers sessions on investment and practice management, social issues, shareholder advocacy and community investment. The fee to attend is USD 500 per day. For more information, you may contact Krystala Kalil at [krystala\[at\]sriconference.com](mailto:krystala[at]sriconference.com) or +1 719 636 1045, or you may visit <http://www.sriconference.com>.

### Columbia Business School 2012 Social Enterprise Conference

October 5, 2012, New York, New York, USA

Themed around "Aligning Strategy to Maximize Impact," this event costs USD 115 to attend, with discounts available for those affiliated with Columbia Business School, students of other institutions and those attending only the evening reception. More details are available from Albert Lim at [alim13\[at\]gsb.columbia.edu](mailto:alim13[at]gsb.columbia.edu) or Regina Lee at [rlee13\[at\]gsb.columbia.edu](mailto:rlee13[at]gsb.columbia.edu), or you may call +1 212 854 1649 or visit <http://www.columbiasocialenterprise.org/conference2012/>.

### Mobile Banking and Payments for Emerging Asia Summit 2012

October 8 - October 10, 2012, Bali, Indonesia

This event will cover navigating the Asian electronic money industry through regulatory and interoperability barriers. The fee to attend is USD 2,295, with various discounts and separately priced workshops available. Details may be had via Joanna Tan at +65 68899 5041 or [joanna.tan\[at\]clairdenglobal.org](mailto:joanna.tan[at]clairdenglobal.org) or by visiting <http://www.clairdenglobal.com/mobilebankingasia/>.

### Asset Allocation Summit and Emerging Managers Summit West

October 10 - October 11, 2012, Las Vegas, Nevada, USA

These separate events each cost USD 1,995 to attend, although institutional investors may receive complimentary admission. For details on the sessions on global asset allocation and finding investment managers that are nontraditional in terms of youth, gender or culture, you may visit <http://www.opalgroup.net/conferences.php>, call +1 212 532 9898 or email [feedback\[at\]opalgroup.net](mailto:feedback[at]opalgroup.net).

### African Microfinance Transparency Investor's Fair

October 11 - October 12, 2012, Tunis, Tunisia

This event offers 25-minute "speed-dating" sessions between microfinance institutions and investors as well as workshops and a site visit to ENDA Inter-Arabe. The fee for one representative from an investor is EUR 500 and EUR 200 for the first person from a microbank. Discounts are available for additional attendees from the same organization and for members of African Microfinance Transparency. More details may be had via [info\[at\]amt-forum.org](mailto:info[at]amt-forum.org), +352 45 68 68 1 or <http://www.amt-forum.org>.

### Calgary Microcredit Conference 2012

October 13, 2012, Calgary, Canada

This event aims to cover what is and is not working in both international and Canadian microcredit. The fee to attend is CAD 90, with a student rate of CAD 65 available. Details may be sought from Barb Briggs at [briggsbarb\[at\]gmail.com](mailto:briggsbarb[at]gmail.com) or +1 403 245 2297 or via <http://mc5360.rotaryglobal.net>.

### Women's World Banking Capital Markets Conference

October 23 - October 24, 2012, New York, New York, USA

This tenth anniversary edition of this event will focus on investing in "client-focused" microbanks as well as social performance, innovation and investing in women. The registration fee is USD 1,000, with a rate of USD 700 available to nonprofits and microbanks. More information is available from Allegra Palmer at [apalmer\[at\]swwb.org](mailto:apalmer[at]swwb.org) or +1 212 768 8513 or by visiting <http://www.swwb.org/cmc2012>.

## MORE DETAILS COMING SOON ON...

### Family Office & Private Wealth Forum West

October 24 - October 26, 2012, Napa, California, USA

### Ninth Annual Conference from Sanabel

October 31 - November 2, 2012, Khartoum, Sudan

### 2012 SEEP Annual Conference: Building Inclusive Markets

November 5 - November 8, 2012, Arlington, Virginia, USA

### Eighth International Microinsurance Conference

November 6 - November 8, 2012, Dar es Salaam, Tanzania

### TBLI Conference Europe 2012

November 8 - November 9, 2012, Zurich, Switzerland

### European Microfinance Week

November 14 - November 16, 2012, Luxembourg

### Impact Investing Summit

November 26 - November 28, 2012, Washington, DC, USA

### Microfinance India Summit

November 27 - November 28, 2012, New Delhi, India

### Global Islamic Microfinance Forum - REVISED DATE

December 8, 2012, Dubai, United Arab Emirates 🇦🇪

## PAPER WRAP-UPS

### General Guidelines for the Development of Government Payment Programs

*Published by the World Bank,  
August 2012, 71 pages, available at:  
<http://go.worldbank.org/BXDKN3HIB0>*

This report aims to assist governments and other stakeholders in developing efficient electronic government payment systems. The document indicates that many government payment programs can be made more efficient, safer and more transparent while cutting costs by approximately 75 percent. The report considers case studies such as the “Bolsa Familia” electronic cash transfer program of Brazil, which combines several payment programs into one payment account, lowering the administrative costs of money transfers from 14 percent to 2.6 percent of the amount transferred.

The guidelines include advice on how to: (1) ensure that payments and collections are part of a system of efficient and transparent management of public finances; (2) make government programs safe, reliable and cost-effective; and (3) ensure that modernizing government payment programs facilitates the development of national payment systems and promotes financial inclusion.

### Confessions of a Microfinance Heretic: How Microlending Lost Its Way and Betrayed the Poor

*By Hugh Sinclair, published by Berrett-Koehler Publishers, 2012, 267 pages, available for sale at  
<http://www.bkconnection.com/ProdDetails.asp?ID=9781609945183>*

This book chronicles the experiences of the author working for microfinance institutions (MFIs) in Mexico, Mozambique and Nigeria and describes the negative impressions he has of the management of these MFIs. Mr Sinclair then argues that many investment funds decide which MFIs to invest in based on profit potential rather than social impact. As an example, he cites the persistence of investment funds in backing Nigeria’s Lift Above Poverty Organisation despite alleged illegal practices and exorbitant interest rates charged by the MFI.

Mr Sinclair also criticizes online microfinance lending platforms for not publishing information such as the interest rates charged to end-borrowers. He concludes by offering advice to “ethical” microfinance institutions, microfinance investment funds and microfinance borrowers on choosing partners while ensuring that the “social mission” is upheld.

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### Empowerment of Women and Gender Mainstreaming in Rural Microfinance

*By Getaneh Gobeze, published by UN Women, September 2011, 17 pages, available at:  
<http://www.un.org/womenwatch/daw/csw/csw56/egm/Gobeze-RP-2-EGM-RW-Sep2011.pdf>*

This paper provides an analysis of the empowerment of women and gender mainstreaming strategies in rural microfinance. “Gender mainstreaming” refers to the “process of assessing the implications for women and men of any planned action, including legislation, policies or programs.”

The author examines attitudes and practices within rural households that can be harmful to women and girls and offers conclusions regarding gender mainstreaming and the empowerment of women in the context of microfinance.

The author discusses how poverty and unequal power relationships can contribute to women holding a disadvantaged position relative to men; a lack of recognition of women as active members in the community; and limitations on their control of assets and access to markets and information. Although poor men may be as disadvantaged as poor women regarding access to material resources in the public domain, they often seek to maintain control within the family as a mark of prestige. Also, parents with little resources are more likely to provide better education, health services and nutrition to male children because they are perceived to have better earning potential than female children.

While microfinance advocates argue that creating opportunities for women to earn an income improves their position within the household and can bring about gender equity, studies show mixed results from microfinance in terms of advances in women’s empowerment. On one hand, there are positive findings in terms of consumption, health care and contraception, decision-making power, spatial mobility, access to property and reduced domestic violence. On the other hand, women borrowers have experienced negative consequences - both within the household and on a wider scale -

because of a series of triggers that can re-enforce the patriarchal system including: changes in personal values such as modesty, respect, acceptability to husbands and kin; difficulty reconciling paid work with childcare needs; top-down, “one-size-fits-all” lending approaches; and a lack of other financial services to complement microcredit.

The author proposes that efforts to promote the empowerment of women include encouraging women to articulate their needs and priorities and develop the ability to “envisage” how they can improve their livelihoods and lives. Tools such as the Gender Action Learning System, which was developed by Dutch nonprofit Oxfam-Novib, may positively influence women’s empowerment and gender mainstreaming at the micro, meso and macro levels by focusing on the socio-cultural contexts that define the different social roles of women and men.

### A New Look at Microfinance Apexes

*By Sarah Forster, et al; published by CGAP (Consultative Group to Assist the Poor); July 2012; 26 pages; available at: <http://www.cgap.org/p/site/c/template.rc/1.9.58459/>*

This brief summarizes a study performed by CGAP (Consultative Group to Assist the Poor), a US-based nonprofit policy and research center, on microfinance “apexes,” which filter public resources to microfinance providers within a country. The authors consider a 2008 study on 76 apexes in 46 countries, a literature review, a 2010 quantitative survey of 23 apexes and a case study analysis of six apexes.

The authors recommend addressing issues such as the organization and management of apexes, increasing capacity building in early-stage markets, leveraging commercial finance in advanced markets, carefully selecting and supervising microfinance institutions that receive investments and structuring funding in ways that are most useful to retail lenders. The authors conclude that apexes are likely to continue to be major investors in microfinance, and their managers should learn from the challenges faced and overcome by their peer organizations in order to maximize their effectiveness. ■